



Fact Sheet

From the Office of Public Information & Communications

Topic/Issue:

Cubs Spring Training Financing Plan

General Statement:

The City of Mesa announced today an initiative that will provide financial certainty for the construction of a Chicago Cubs Spring Training facility in the City. The initiative involves the use of funds and assets from the City's enterprise fund, and will enable the stadium to be built with no increases in property taxes, no increases in sales taxes and no impact to the City's general fund.

Since signing a Memorandum of Understanding with the Cubs in January, Mesa has been working with the Arizona Legislature in the pursuit of assured stadium funding. The financing became uncertain when the legislature adjourned in April without taking final action on a bill. The City's commitment today to fund the stadium regardless of the legislature's inaction removes that uncertainty.

Facts:

Financing is threefold:

City – The City of Mesa has built three spring training facilities over the past 60 years, and the City's use of enterprise funds is not without precedence. The enterprise fund consists of resources related to activities such as golf courses, waste management, water resources, utilities, and existing spring training facilities and operations. Part of the City's plan includes selling its inventory of undeveloped farmland in Pinal County and utilizing sales proceeds to help finance the new facilities. The land will be sold in an orderly, market-driven fashion over the next 25 years.

Private – The private sources are the Cubs, Major League Baseball, developers, individuals and other potential investors based on stadium location.

Tourism – The Mesa Convention and Visitors Bureau (CVB) board of directors recently recommended and approved a proposal to increase the City bed tax from the current three percent to five percent. This matches an increase passed by Tempe and Scottsdale voters in March. The CVB asked Mesa City Council today to put the bed tax increase on the November ballot for a public vote. If passed by voters, the bed tax increase will bring in about \$1 million per year that could be used to fund tourism promotion and stadium construction.

The total cost for the stadium and spring training facilities is \$84 million. Any expenses above that will be the responsibility of the Chicago Cubs.

Chicago Cubs Spring Training brings \$130 million to the Arizona economy each year.

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	<p>Three milestones to keep the Cubs in Mesa:</p> <p>Memorandum of Understanding (MOU) – Reached and signed by the City of Mesa and the Chicago Cubs in January 2010.</p> <p>Financial Certainty – City of Mesa will provide financial certainty in order to move forward with City Council placing a financing measure on the November 2010 ballot by July 12, 2010.</p> <p>Vote – In November 2010 Mesa voters will decide on two measures. The bed tax increase from three to five percent and, as required by City Charter section 613, an approval of public expenditures above \$1.5 million for a sports or entertainment facility in the City.</p>
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